

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 L-03 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 /060 W
-----114963 282358Z /15

R 281250Z JUL 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 3002
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO
AMCONSUL SALVADOR

LIMITED OFFICIAL USE BRASILIA 6268

DEPARTMENT PASS EXIMBANK

E.O. 11652: N/A
TAGS: EGEM, EFIN, BR
SUBJ: BANCO ECONOMICO AND ARATU TV

REF: (A) PARKER - NICKELS TELCON, (B) BRASILIA 7887 (1976),
(C) BRASILIA 7980 (1976), (D) BRASILIA 7832 (1976),
(E) SALVADOR 090 (1976), (F) SALVADOR 019 (1976).

1. FOLLOWING INFORMATION IS IN RESPONSE TO REF. A. BANCO
ECONOMICO LITIGATION BEGAN IN AUGUST OF 1976 WHEN
THE BANK DECIDED NOT TO HONOR PAYMENT ON TWO CASHIERS CHECKS
WORTH APPROXIMATELY 197 MILLION CRUZEIROS. THE BANK CLAIMED
THAT THE MANAGER OF THE RIO BRANCH ILLEGALLY ISSUED THE
CHECKS TO TWO CUSTOMERS WITHOUT REQUIRING A PREVIOUS DEPOSIT
OF EQUAL AMOUNT. THE MANAGER EXPLAINED THAT THE CUSTOMERS
PROMISED TO COVER THE CHECKS BEFORE THEY REACHED THE CLEARING
HOUSE. ACCORDING TO THE BRANCH MANAGER, DESPITE
THE PROMISE, THE CHECKS WERE CIRCULATED ON THE CAPITAL
MARKET WITHOUT THE NECESSARY COVERAGE OF FUNDS, AND
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BANCO ECONOMICO REFUSED TO HONOR THE CHECKS WHEN
PRESENTED BY THIRD PARTIES. THE BANK CLAIMED THE
DECISION NOT TO HONOR THE CHECKS WAS MADE SOLELY BE-
CAUSE OF THE FRAUDULENT NATURE OF THE TRANSACTION AND
CAME AFTER CONSULTATION WITH THE CENTRAL BANK. THE
BANK MANAGER WAS ARRESTED FOR FRAUD AND THE BANCO
ECONOMICO INVOLVED IN LITIGATION FOR PAYMENT OF THE

CASHIER CHECKS. THE INCIDENT IS DESCRIBED IN REFS.
B, C, AND D, AND IN GREATER DETAIL IN REF. E.

2. IN VIEW OF THE LITIGATION, 200 MILLION CRUZEIROS
WERE DEPOSITED WITH THE BANCO CENTRAL DO BRASIL UNTIL
THE MATTER CAN BE RESOLVED. THE DEPOSIT WAS OSTENSIBLY
MADE BY THE BANCO ECONOMICO, ALTHOUGH AT THE TIME THE
EMBASSY RECEIVED A REPORT FROM ONE SOURCE THAT CLAIMED
THE BANCO CENTRAL ITSELF FURNISHED THE FUNDS FOR
THE DEPOSIT. (SEE REF. B).

3. ACCORDING TO EMBASSY INQUIRIES MADE SHORTLY AFTER
THE INCIDENT, THE BANCO ECONOMICO RETAINED THE CON-
FIDENCE OF THE FINANCIAL COMMUNITY. SEVERAL LARGE
AMERICAN BANKS STATED THAT WERE PREPARED TO TO NEW
BUSINESS WITH BANCO ECONOMICO AND THE BANK WAS REPORTED
TO ENJOY A GOOD CREDIT REPUTATION AND CONTINUING TO
MEET OBLIGATIONS ON SCHEDULE.

4. IN REGARD TO THE QUESTION OF THE AFFILIATION
BETWEEN TV ARATU AND TWO OTHER MAJOR TV STATIONS (TV
GLOBO AND TV TUPE), THE WTDR ON TV ARATU (REF. F)
PROVIDES NO EVIDENCE OF A FINANCIAL LINK. THE MAJOR
STOCKHOLDERS THAT ARE LISTED ARE INDIVIDUALS AND TV

ARATU IS NOT DESCRIBED AS A PARTIALLY OR WHOLLY
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OWNED SUBSIDIARY OF ANOTHER FIRM. TV GLOBO IS LISTED AS
A BUSINESS REFERENCE AND THE AFFILIATION DISCUSSED IN
REF. A MAY BE ONE OF PROGRAM SHARING.

5. AMCONSUL SALVADOR WILL UPDATE WTDR AND CABLE TO
WASHINGTON.
RUSER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LITIGATION, FRAUDS, BANKERS, CHECKS (MONEY), BANK DEPOSITS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRASIL06268
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770271-0544
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770711/aaaaaisf.tel
Line Count: 101
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5af3f662-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BRASILIA 7887, 77 BRASILIA 7980, 77 BRASILIA 7832
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06-Dec-2004 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1727200
Secure: OPEN
Status: NATIVE
Subject: BANCO ECONOMIC AND ARATU TV
TAGS: EGEN, EFIN, PGOV, BR, BANCO ECONOMICO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5af3f662-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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22 May 2009
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